

TERMS OF OPTION TO PURCHASE STATE OF CALIFORNIA EXCESS LAND

ALL PROPERTIES are SOLD in an "AS IS" CONDITION. The information in corresponding sale notices was obtained from sources deemed to be reliable but is **NOT GUARANTEED**. It is furnished solely as an aid to prospective bidders.

TERMS: Bids to purchase will be for "cash" -- the State is not offering financing for this purchase. Successful Bidder (a.k.a. Purchaser) will be required to execute an "Option to Purchase" agreeing to the following terms and conditions that are made part of the Option by reference therein.

OPTION DEPOSIT: The minimum deposit required for sales over \$5,000 shall be 10% of the "winning" or "high" bid amount rounded down to the nearest \$100 (See "Payments" below). If the sale is not approved, the option deposit will be refunded without interest.

OPTION PERIOD: The option deposit will be the consideration for the option period, the length of which is specified in this "Option to Purchase" agreement. The option period shall commence on the first day following the date the bids are opened. The balance of the purchase price shall be paid on or before the expiration of the option period. Option is not assignable or transferable.

There may be situations wherein the option holder is unable to complete the Terms of Option within the time allowed for reasons beyond his/her control. Under these circumstances, the State, at its discretion, may elect to extend the option period. A charge of 1% of the bid price per month will normally be made for such extensions. This change shall not be applied toward the purchase price.

ATTENTION: SALES ARE NOT CONTINGENT UPON PURCHASER'S ABILITY TO SECURE FINANCING.

FORFEITURE OF DEPOSIT: The entire option deposit is non-refundable in the event that the successful bidder fails to exercise the option within the option period or fails to comply with any and all terms of the option as herein provided.

SECOND HIGH BID: In the event that Successful Bidder fails to exercise his or her option within the option period or defaults in completion of the sale, the State may, at its discretion, offer the option to the second highest bidder. If the second high bidder accepts the option, the deposit requirement and terms of option to purchase shall be the same as stated in this notice of sale except that the option period shall commence on the day the option is awarded by the State.

PAYMENTS: Payments must be in the form of a CERTIFIED BANK CHECK, CASHIERS CHECK or MONEY ORDER (No Cash, No Personal Checks, and No Exceptions), and made payable to "DEPT OF TRANSPORTATION." Payments can be sent to DEPT OF TRANSPORTATION, ATTN: R/W EXCESS LAND, 50 HIGUERA STREET, SAN LUIS OBISPO, CA 93401.

TAXES: Property is not assessed for taxes while vested in the State. Upon recording of the deed, the property will be returned to the County tax rolls and assessments will be effective as of that date.

EMPLOYEES: State employees are allowed to participate in State auctions, except those who have direct access to information not generally available to the public or who have influence on the value, purchase, or sale of right of way or other real property.

LIMITING CONDITIONS:

(1) A sale under an Option to Purchase is subject to the approval of the California Transportation Commission (CTC). Any assignments under a contract must be made prior thereto. **Purchaser takes possession when the Director's Deed is recorded.**

(2) When the sale is approved by the CTC and Purchaser elects to exercise the option, the option deposit will be credited toward the bid to purchase price.

(3) The State reserves the right to reject any and all bids and to cancel the sale in part or in its entirety, at any time prior to recordation of the Director's Deed. The State also reserves the right to reject any and all offers and to waive any informality or irregularity in any offer or to accept any offer deemed in the best interest of the State. In the event of cancellation of sale and/or rejection of any bids, the respective deposits of money shall be refunded without interest.

(4) The right, title and interest in the property to be sold shall not exceed that vested in the State of California, and this sale is subject to all title exceptions and reservations whether or not of record. Purchaser may obtain a policy of title insurance at his or her own expense.

(5) Purchaser shall pay all recording fees, documentary stamp taxes, or other real estate transaction taxes/fees, by whatever name known, including but not limited to escrow fees or broker's commission, if any, and personal property sales taxes where applicable.

(6) Should Purchaser desire a survey of the property, this may be accomplished by an independent survey at Purchaser's expense. No warranty is made by the State relative to the ground locations of property lines other than monumented highway right of way lines. A Department of Transportation Director's Deed (grant deed/legal description) will be provided during option period.

(7) Purchaser assumes all responsibility for complying with local development standards, codes and ordinances for any use or development. The State makes no warranty or representation that any property being offered is developable nor that the local jurisdiction will permit development.

NOTE--Prospective bidders are strongly advised to consult with local government officials to ascertain the effects of zoning and any other requirements that may be imposed as conditions of development of any property sold by the State.

(8) Sale of this excess property is exempt from provisions of the California Environmental Quality Act (CEQA).

The environmental determination by the State for the sale of property does not mean that the buyer may not have to obtain subsequent environmental clearance or prepare an environmental document as required by any local agency. Purchaser should be aware that if he/she seeks some form of approval or permit for development, the local agency might require an environmental document and/or analysis before giving it approval or permit.

(9) The sale of this property is subject to all matters of public record and any easements, claim of easements or reservations not of record.

TITLE EXCEPTIONS AND RESERVATIONS:

The property is warranted to be free of any liens, court judgments, loans (Deeds of Trust, etc.) and delinquent or unpaid taxes. The sale of this property is subject to all matters of public record and any easements, claims of easements, or reservations not of record. **The State does not assume liability for possible encumbrances on this property.** The right, title and interest in this property shall not exceed that vested in the State of California. Prospective bidders are advised to consult local title companies if more complete information regarding the title of the property is required.